

Employable Skill Development through ODL – An Industry- Academia
Collaborative Model from IGNOU

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(Full Paper)

Employable Skills in IT Services – the Indian context

India has been and remains the most favoured offshore location for Technology Services. India has the largest number of English-speaking college graduates in the world. India can also claim to have the largest pool of low cost scientific and technical talent along with the language savvy youth. Many European and US companies have realized that they should focus on their main business and outsource their Human Resource Departments, Accounting departments and a multitude of other functions. According to NASSCOM's (National Association of Software and Service Companies) Strategic Review 2007, the Indian IT-BPO sector would achieve USD 60 billion in export revenues by FY 2010. Key factors supporting this projection are the growing impact of technology led innovation, the increasing demand for global sourcing and gradually evolving socio-political attitudes.

India has become one of the hot spots of outsourcing because of several factors. The ready availability of a vast pool of human resources consisting of qualified English-savvy youth is the prime factor. In fact, proficiency in English language is looked upon as the factor of consequence by both ITES and BPO sectors. It is not abundance of manpower alone that attracts investment to India but quality manpower (which unfortunately is now increasingly in short supply). Entrepreneurs as well as technocrats from here have already etched their names in the annals of this fascinating industry. This has established the credentials of the nation beyond doubt before others. Availability of relevant infrastructure at optimum costs and communication facilities have been added incentives to foreign companies. Yet another advantage is the time zone difference. India has an 8-12 hour time zone difference with respect to the US and other developed markets. It is of great advantage in BPO operations, which offers reduced turnaround times, since processing services are performed at night hours in the developed countries.

BPO exports from India grew by over 33% and the industry has undergone a great transformation from executing entry level tasks to a high proportion of voice based services to complex and high-end knowledge process and research services. According to a joint report by NASSCOM & McKinsey, global offshore outsourcing expenditure would hit \$110 billion by 2010 and tips India to capture more than 50 percent of the market, provided it overcomes the challenges it faces. Further growth is a real possibility, if the industry looks at higher and more value added services. Business process outsourcing (BPO) companies along with IT-enabled services (ITES) are emerging as the major employment generating sectors in the country.

The A.T. Kearney Global Services Location Index which analyzes the top 50 services locations worldwide against 41 measurements in three major categories: cost, people skills and availability, and business environment, projects India at the top with China emerging a close second. The Global Services Location Index also projects that people skills and business environment are becoming increasingly important to attract investments. One of the success factors might have been the fact that the BPO industry in India was able to attract youngsters with good knowledge and sharp minds, prepared to work with a flexibility to serve their clients.

Companies globally are looking at India as a potential option for BPO outsourcing services. Indian companies are better focused on maintaining quality and performance standards. They have also attained the quality certificates for their services. Furthermore, they are promising a significant and continuous improvement in productivity. The number of correct transactions per hour, the speed of answering calls and satisfying queries is high. As per NASSCOM projections, the ITES- BPO sector is expected to employ over 1.1 million Indians. It's not only touted as a booming market, but the growth potential is also many times over.

India's advantageous position

Though many other countries are in the fray, India still leads the rest. Many people seem to think that China is the next IT/BPO outsourcing destination. But according to a white paper prepared by Tholons Inc., a services globalization advisory and investment firm, it has been pointed out that China will remain only a distant competitor to India in the outsourcing landscape. Lack of maturity in service delivery, cultural incompatibility, poor English and communication skills are the major setbacks attributed to Chinese ambitions. The Indian education system also places strong emphasis on mathematics and science. It has enabled India to take advantage of the current international demand for IT. In terms of human resources, there are a number of countries who are at an advantageous position but the real difference between them and India is of quality man power. In the field of information technology and computer software, Indian experts have proved their worth beyond doubt. India is rich not only in terms of number of qualified people but the quality of our professionals is also of international standards.

Indian programmers are known for their strong technical skills and their eagerness to accommodate and engage clients. In some cases, clients outsource work to get access to more specialized engineering talent, particularly in the area of telecommunications. Expertise in English language is also a great strength of India and it has definitely helped India in increasing its manpower quality. The only drawback India faces is the escalation of wages when compared to its competing counterparts.

Future trends in the BPO sector

Today, companies seek to capture the full value that global outsourcing offers. While more and more of the developed markets are coming in the fold of BPO offerings, domestic markets as well as some of the emerging markets are beginning to use these services as well. Businesses are defining the core of their businesses more sharply than ever, and are open to outsourcing everything else. Another trend is the emergence of BPO services relating to industries which may not have explored this option or have done so to a lesser extent, for example media, advertising, and education. Another area is knowledge process outsourcing (KPO), which includes activities that require greater skill, knowledge, education and expertise to handle.

There are no estimates on the potential size of the KPO market, but consulting alone is worth \$140 billion annually. Even if a small percentage of this can be outsourced, it runs into billions says Mr Subinder Khurana, President of marketRx, a KPO company. Some companies such as GE, Amex and McKinsey have already started to outsource work to India. According to a Confederation of Indian Industry (CII) study, India is all set to emerge as the global KPO hub and is set for explosive growth. By the year 2010, India will dominate close to 70% of the global KPO sector. Apart from education, the other areas are engineering design, biotech and pharmaceuticals, basic data search, integration and management.

Talent situation and Forecast

Industry sources estimates (based on discussion with various industry personnel and NASSCOM) that nearly 2.7 million people would be required by 2012. A tentative break-up of the requirement and personnel in various categories will be:

	(In thousands)
Customer care	- 1030
Finance	- 206
HR	- 690
Project Services	- 447
Administration	- 147
Content Development	- 197
Total	- 2712

Skill requirement of the BPO Industry

The ITES industry comprises BPO and KPO operations. The huge range of job roles offered are thus either voice based or non-voice based. The industry, be it voice or non voice, by its very nature requires a great deal of communication with customers offshore and onshore and hence skills in general abilities such as written and spoken English, are desirable and mandatory. The voice based processes such as customer service; tech support; telesales, and collections require a person to be good at spoken English in addition to the general abilities, whereas the skills required for a non-voice based process such as order processing, financial transaction, and medical transcription would require more emphasis on typing skills and quantitative ability rather than spoken English.

BPO Industry – Challenges and Prognosis

Attrition is a major problem the industry is facing. With every BPO candidate faced with myriad employment options, a vast majority of its employees choose the one that they think promises them the best salary, prospects and/or working conditions. Some studies done by companies and industry bodies have revealed that employee satisfaction is linked to their "development" which is more of an intangible factor. In such a context companies are embarking on programmes for employee learning, growth and development. They are also aware that heavily investing in people was a long term strategy which would deliver strong results.

Until recently India's vast pool of talent was considered a great competitive advantage, but today shortages are emerging. Two years ago, NASSCOM predicted a shortfall – a talent shortage of 500,000 by 2010. What was an opportunity yesterday could well be a challenge today. And the industry has been gearing up to tackle the talent crunch.

The 2005 NASSCOM-McKinsey study very clearly said that if nothing was done there could be a shortfall of 500,000 by 2010 for this sector alone. The quality aspect of the right talent is the issue. It's not the crowd that matters. The country turns out more than 4,00,000 engineers a year. But the industry thinks that a large number of them are not employable. The academic system is not market-responsive as a result of which people coming out of the system are unemployable.

Insights gained from the Industry

Companies and their confederations like NASSCOM are exploring different means to meet the demand for skilled staff. There is also a growing debate in the BPO community about building alternative channels for talent – for example by putting in place self-funded educational systems to build the next wave of their workforce, rather than relying exclusively on the domestic educational system. Another initiative is NASSCOM's recently launched NASSCOM Assessment of Competence (NAC) programme expected to assess and certify talent workforce to cater to their "skilled manpower" requirements.

NASSCOM envisions NAC as a national standard for recruitment of entry level talent and that substantial cost savings will occur in industry's sourcing cost. It will also help in easy benchmarking for individual processes with industry standards. From the industry's

perspective it will also help to filter out non-serious candidates and hence have improved efficiency. Infosys BPO, the business process outsourcing subsidiary of Infosys Technologies, has partnered with Karnataka University, Dharwad, to train students in communication and domain specific skills thereby increasing their employment opportunities. The Infosys Affirmative Action Programme focuses on aligning the needs of general colleges, faculty and students with the industry needs, thus preparing "industry ready" professionals.

Large companies like Accenture are on course to hit 35,000-headcount in India and they too are looking at innovative routes to reach India's potential employable pool. Companies are investing heavily; Infosys has invested \$300 million into building the world's largest corporate university in Mysore. They also have a programme called Campus Connect where they are working with 300 colleges of India.

Inadequacy of Academic programmes

Industry sources indicate that only 25% of the fresh engineering graduates are employable in BPO and ITES industries. The present curriculum in schools and colleges are focused on written English rather than spoken English. Students are also not given opportunities to speak often in the class. Some industry personnel feel that the academia holds myths and negative perceptions about the BPO industry. They also feel that the academic system is not market responsive and that the academic community is also not aware of the right skills needed to succeed in BPO industry.

Mr Vinod, Vice President 24/7, a leading BPO, (in an interaction with IGNOU's Course Development team) said that the academic community is not aware of the right skills needed to succeed in BPO industry. While the educational qualifications required for this industry are minimal, availability of people with strong communication skills is a stumbling block. Though India has a strong educational system, ensuring the basic requirements of good spoken English is often a difficult problem.

"The ability to understand and converse in English is an important aspect of the IT industry. If you don't have a reasonably good ability to speak English, among a few other attributes, prospective employers won't even look at you," says Kiran Karnik, former President of the IT trade body, National Association of Software and Service Companies (NASSCOM). NASSCOM pegs this shortage at five lakh by 2010 with 3.5 lakh in BPO alone and another 1.5 lakh in the ITeS space. Mr. Karnik called for educational reforms to improve the English-speaking abilities of students.

Thus, the main problem highlighted by the industry is the lack of effective communication skills of the employees along with necessary soft skills. Skills in using English language have become the sine qua non for a successful career in this industry.

Changing trends in Communication Skills

The communications industry has revolutionized the way we work, play and live. Most of us today receive more emails, and probably even SMS (Short Message Service), than we receive phone calls and hence it needs be noted that reaching the customer is not through voice alone. While voice continues to be the main mode of contact, other contact mediums are fast emerging and gaining traction. It is estimated that by 2012, close to one-third of all interactions in a contact centre will be through channels other than voice. Email and web-chats are fast emerging, and Asian consumers in particular are heavy users of SMS.

These changing communication trends are bound to change the way consumers interact with enterprises through the contact centre or otherwise. The Internet has also changed the way consumers communicate and search for information. Another emerging feature is IP based Voice solutions, popularly referred to as Voice over Internet Protocol or VoIP, where also language skills are deeply needed.

English – the language of International Business

English has emerged as the language of international business, finance, tourism, aviation and shipping, healthcare, science and IT. In the case of each of these industries, international companies are seeking to outsource operations from high-wage areas to lower cost markets – but only where sufficient language technical skills exist. Graduates seeking to work in these emergent opportunities increasingly need to ensure that their communications skills are not merely adequate but that they possess first-class soft skills – consisting primarily of a set of English language communication skills.

Employable Skill Development vis-à-vis Job Requirements

In the BPO operations market, the wide range of job roles offered are either voice based or non voice based. The industry, be it voice or non voice, by its very nature requires a great deal of communication with customers offshore and onshore and hence, skills in general abilities such as written English, ability to learn, attention to detail, comfort with numbers and basic maths and knowledge of proper usage of English are mandatory. The voice based processes such as customer service, tech support, telesales and collections require a person to be good at spoken English in addition to the general abilities. Whereas the skills required for non-voice based processes such as order processing, financial transaction, and medical transcription would require more emphasis on typing skills and quantitative ability rather than spoken English, function based processes such as payrolls, accounting, and legal services also require an additional knowledge of domain skills.

It has become an established fact that graduates aspiring for jobs in the booming IT-enabled Services (ITeS) and Business Process Outsourcing (BPO) sectors need to polish their English-speaking skills. From the above it is clear that the BPO industry is set to grow globally in a healthy way and that India is emerging as the leader. It also becomes evident that the main driver of growth of the industry is people and talents. Here comes a significant and noticeable aspect that communication skills especially in English are vital in the whole scheme of things.

Certificate in Communication Skills for BPO, ITES and Related Sectors (CCSS)

It is in this context that a Certificate Course in Communication Skills for BPO, ITES and Related Sectors (CCSS) in Open Distance Learning (ODL) mode for prospective jobseekers in the industry was conceived, designed, developed and delivered by the Centre for Extension Education (CEE) in the Indira Gandhi National Open University (IGNOU), New Delhi, India. A number of people from the industry were contacted by Angloscape - an IT Skills Training Institute in Trivandrum, Kerala, and IGNOU, for inputs from the industry. Notable persons included Mr. Kiran Karnik, former President of NASSCOM, Dr R Narayanan, Advisor, Global Learning and Development Tata Consultancy Services, Dr. Sandhya Chintala, Director Education initiative, NASSCOM, R.K Nair, CEO Technopark, Trivandrum, Mr. Vinod, Vice President, 24x7, and Anuradha Varma, Learning Manager, Reuters. In addition to the above, email exchanges with S Gopalakrishnan (Kris), CEO of Infosys Technologies were also made on the subject. Though the number of respondents was restricted, they in turn represented some of the largest companies and possessed detailed experience within the industry.

The need survey study conducted by Angloscape and the insights gained through the constant interaction with the above mentioned IT Industry and IT personnel have immensely contributed in designing the certificate course. The inputs from Industry substantially changed the earlier perception of the academics and resulted in an innovative programme development which was market responsive and employable skill-based.

This programme comprises 6 courses as shown below

Course Code	Course Name	Credits
BCSSI-001	Understanding BPO,ITeS & Related Sectors	2 Credits
BCSSI-002	English Proficiency	2 Credits
BCSSI-003	Business Communication	4 Credits
BCSSI-004	Cultural Sensitisation	2 Credits
BCSSI-005	Customer Relationship Management	3 Credits
BCSSI-006	Positive Incrementals	3 Credits

Duration : Minimum duration of this programme is 6 months and
Maximum is 2 years.

Conclusion : Reinforced Employable Skills

The emergence of India as a leader in the BPO market presents a huge range of opportunities to the graduating youth of today. International and domestic firms have broken down the traditional hierarchical structure of Indian business and injected a renewed vigour into the Indian business scene. However, as the above discussion repeatedly affirms, if this surge is to continue, demands for skills must be met.

The overwhelming finding of this analysis is that, whilst technical skills are abundant amongst the graduating workforce (or can be taught), communications and soft skills are simultaneously becoming of greater significance and harder to find. For the BPO market to continue to expand, and for graduating hopefuls to continue to be placed into fresh careers, a comprehensive and measurable method of improving candidates' language and communication skills is fast becoming the greatest priority of the industry. In this context both academia and industry alike identify that a communicative English course provided by a reputed national provider would be invaluable in enhancing employable skill development. This is exactly the need that IGNOU seeks to address through the above programme, which promises to meet the learning and training needs of a large segment of the country's youth.

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